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PRESENTATION

Operator

Good day, everyone, and welcome to the LATAM Airlines Group earnings release conference call. Just a reminder, this conference is being recorded. LATAM Airlines Group earnings release for the period was distributed on Tuesday, May 14. If you have not received it, you can find it on our website, www.latamairlinesgroup.net, in the Investor Relations section.

At this time, I would like to point out that the statements regarding the Company's business outlook and anticipated financial and operating results constitute forward-looking comments. These expectations are highly dependent on the economy, the airline industry, and international markets. Therefore, they are subject to change.

Now, it is my pleasure to turn the call over to Mr. Alejandro de la Fuente, Chief Financial Officer of LATAM Airlines Group. Mr. de la Fuente, please begin.

Alejandro de la Fuente - LATAM Airlines Group S.A. - CFO

Thank you for joining us today. This is Alejandro de la Fuente, and with me on the call are Claudia Sender, from our Domestic Brazil Operations; Jorge Vilches, from our International Passenger Division; Edgardo Escobar, from our Cargo business; Andres del Valle, from our Corporate Finance Department; and Gisela Escobar, our Investor Relations Officer.

We hope that you have all received the press release, and have been able to access the webcast presentation on our website for a better understanding of our consolidated results during the first quarter 2013.



On slide 3, you can see the main highlights of LATAM Airline Group's results for the first quarter, as compared to the pro forma numbers for the first quarter 2012. The Company showed a very significant improvement in operating results in the quarter. This reflects a recovery in the business operations as well as progress in the merger and synergy generation.

Operating income reached \$114 million, an increase of 150% compared to first quarter 2012, and operating margins reached 3.4%.

Total revenues increased by 1.5%, reaching \$3.4 billion, driven by growth in passenger revenues. Cargo revenues continue to reflect a challenging global environment, with a decline of 3%.

Operating costs reached \$3.3 billion, decreasing 0.6% as compared to first quarter 2012.

Net income reached \$3 billion (sic-see presentation) in first quarter compared to a pro forma net income of \$84 million for the same period 2012. The decline in net income is due mainly to a foreign exchange gain of \$133 million recognized at TAM during the first quarter 2012.

Taking a closer look at passenger operations, on slide 4, you can see in detail the evolution of the business during the quarter. Total passenger traffic for LATAM Airlines Group grew 6.1%, while capacity increased 4%. Consequently, load factors reached 78.8%, an increase of almost 2 points. Passenger yields declined 4.3% mostly due to the impact of the depreciation of the Brazilian real on yields in the domestic Brazil operation. As a result, revenues per ASK declined 2.4%.

LATAM continues to have a very diversified passenger network. On slide 5, you can see in detail our capacity expansion by market. Passenger capacity growth this quarter was mainly focused on domestic routes in LAN's Spanish-speaking countries, especially Chile and Peru, as well as on international routes.

During the first quarter 2013, we continued to face a challenging environment in our international passenger operations. Since the second half of 2012, we have seen significant pressure from international competitors, adding capacity to South America. This has led to downward pressures on fares, as well as aggressive commercial conditions offered through distribution channels. As a result, the market in general has suffered from lower yields and load factors.

Within this context, both LAN and TAM have also made significant increases in capacity, with total international capacity for the Group increasing by 12.3% in the quarter. This increase has come from routes that are strategic and profitable for the longer term. However, and especially considering the current market environment, competitive pressure resulted in a 4-point decline in load factors, which has led to lower revenue per ASK in this business unit.

Results were also impacted by the quarter by the grounding of LAN's 3 Boeing 787s following the recommendation of the FAA. These aircraft continue to generate fixed costs related to crews, maintenance, and financial expenses. We're in the process of making the necessary battery changes and expect to be able to renew the operations in the near future.

We're taking specific measures to improve the profitability of our international operations. First, we are reducing capacity growth and are evaluating alternatives to rationalize our fleet plan. We plan to cut certain long-haul routes from Brazil, especially from Rio de Janeiro, to destinations such as Frankfurt, Paris, and Orlando.

Second, we will begin operating Boeing 767s on TAM's long-haul routes. These aircraft have [winglets] that contribute to reduce their fuel consumptions and have an efficient configuration. They also provide an improved passenger experience since they include a premium Business Class with full-flat seats.

Finally, starting in the third quarter, we expect to be able to market the codeshare agreement between TAM and American Airlines, providing more options for passengers who will be able to take advantage of the broad network of American Airlines' destinations throughout North America.

As a result of these initiatives, we expect a solid recovery over the coming quarters, especially after the low season in the second quarter of the year.

On slide 6, we can take a closer look at the Brazilian domestic passenger operations. We have made significant progress in the turnaround of this business unit. We continue to focus on capacity discipline, with a 9% reduction in ASKs during the first quarter 2013, as compared to the first quarter 2012.

We are also focused on improving market segmentation and revenue management in order to offer the right conditions to each type of passenger and stimulate demand with more price-sensitive clients. As a result, we are happy to see solid load factors that are consistently at least 10 points higher than last year.

Also, we have seen low double-digit improvements in revenue per ASK, as measured in reais. Results in US dollars were impacted during the first quarter by a 13% depreciation of the Brazilian currency. We remain convinced that capacity discipline and adequate segmentation of the market will provide the basis for continued healthy load factors and expect continued improvement in operating results in 2013.

We have also announced the capacity reduction of between 5% and 7% in ASK for the domestic Brazil operation during the full year 2013.

Please turn to slide 7 for an overview of LATAM's cargo operations. Cargo traffic remained flat, while capacity rose 3.8%. This led to a 56.1% load factor, 2.2 points lower than 2012. The increase in cargo capacity during the quarter is a result of the incorporation of 2 new Boeing 777 freighters during the second half of 2012, as well as an additional belly capacity, partially offset by capacity adjustments in the freighter fleet.

On the other hand, we continue to see weak cargo demand in line with global traffic trends, mainly due to weak demand for imports into Latin America, especially Brazil. This was partially offset by strong demand for commodities from South America, including fresh salmon, asparagus, and berries. At the same time, both regional and international competitors continue to be active in the region.

The yield decline of 3.2% reflects the balance between slow demand and an increasing competitive intensity on south-bound routes, as well as the depreciation of the Brazilian real on the domestic Brazil cargo revenues. Nevertheless, the Company continued to optimize the utilization of the bellies of its passenger aircraft to maximize synergies associated with the Company's integrated passenger-cargo business model.

Please turn to slide 8. The Company showed a 0.6% decline in total operating expenses. Cost per ASK equivalent declined 4.5%, as costs ex-fuel declined 6.5%. The main efficiencies came from wages and benefits, commissions, and other operating expenses. Wages were positively impacted by a depreciation of the Brazilian real, despite a 3% increase in headcount.

Fuel costs increased 3%, driven by a 1.5% increase in consumption.

Please turn to slide 9 for an updated on the expected synergies from the merger. We remain confident in our synergy target of between \$600 million and \$700 million, to be fully achieved by the fourth year after the merger, June 2016.

Important progress were made in recent months with the codeshare agreement signed between TAM and American Airlines, as well as with LATAM's elections of oneworld as its global alliance. We have begun to harmonize the airline frequent flyer programs, as well as advance on cost initiatives related to contracts, renegotiations, and process standardizations.

We expect merger synergies to be between \$250 million and \$300 million during 2013. Furthermore, we expect to continue to incur certain costs related to the integration process.

During this period in which cargo traffic has been impacted by macroeconomic conditions, the ability to redesign the [feeding] of south-bound belly capacity and especially the implementation of connections in the Guarulhos and Congohas airports has been key to better fill TAM's belly capacity.

The ability to consolidate cargo traffic to the US and Europe at these airports is an opportunity that we did not have prior to the merger. With this new possibility, strong exports mainly of perishables goods from the southern [cone] have been able to mitigate the impact of a weak Brazilian outbound market and weak south-bound routes.

Please turn to slide 10 to see our estimates for ASK and ATK growth for 2013. Regarding passenger operations, we expect capacity growth of between 2% and 4% for the Group. For 2013, we expect to see a small increase in the international passenger business in order to adjust capacity to market conditions. TAM's domestic passenger ASKs in the Brazilian market are expected to decrease between 5% and 7% during the year, in line with the Company's strategy to adjust capacity in this market. We will continue to see strong growth in our domestic operations outside Brazil.

Regarding cargo operations, LATAM expects cargo ATK growth between 2% and 4% for full-year 2013, mainly driven by the incorporation of 2 Boeing 777 freighters in September and October 2012, as well as additional belly capacity.

On slide 11, you can see our net fleet deliveries for the coming years. Our fleet plan represents a CapEx budget of \$4.8 billion for the next three years. We feel that a modern and efficient fleet with the correct aircraft represent a significant competitive advantage in this industry.

On June 11, LATAM will hold an extraordinary shareholders meeting to approve an equity offering of \$1 billion. According to Chilean law, the placement will be through a preemptive right offering for existing shareholders. Both the Cueto and Amaro Groups, the controlling shareholders of LATAM and of TAM, have stated their intention to subscribe their proportional stake in the rights offering.

The use of proceeds is to finance our fleet expansion and renewal for the coming years. As you know, we finance approximately 80% of our CapEx with debt, mostly [ex-pocketed] financing at very attractive rates. However, we finance a portion of our fleet CapEx with our own resources. In addition, we have non-fleet related CapEx, including investment necessary to achieve the merger synergies such as IT and information systems projects.

Through this equity offering, we also aim to improve our capital structure in order to accelerate the recovery of our investment grade rating in the medium term. Obviously, we will not improve our rating only with the equity offering, but it will contribute to strengthen our liquidity position, which is an important factor for the rating agencies. We will recover the rating only to the extent that we can show solid cash flow generation from our operations, which is something that we are on track to achieve.

On slide 12, you can see our consolidated fuel hedge position for the upcoming quarters. Since the closing of the transaction, the hedging function is centralized for both LAN and TAM. As you can see on the slide, we have hedged 67% of our estimated fuel consumption for the second quarter of 2013, 26% for the third quarter, and 16% for the fourth quarter.

In closing, we can say that the past quarters have been challenging, as we worked through the merger challenges at LAN and TAM in a difficult competitive environment where we are dealing with a variety of extended pressures in our different markets. Nevertheless, we have made significant progress in terms of harmonizing internal processes, integrating the business units, and defining the long-term strategy for the Group.

More importantly, we remain absolutely convinced by the strategic rationale behind the merger of these two important airlines and of the value of creating a Latin American leader. We are confident that we will see the results of this strategy over the coming quarters.

Now, we will be pleased to answer your questions.

QUESTIONS AND ANSWERS

Operator

Thank you. (Operator Instructions) Savi Syth, Raymond James.



Savi Syth - *Raymond James - Analyst*

Good morning. I just wanted to -- in Brazil, you said the PRASK was up low double-digit on a real basis. Wondering how that's continuing in April and beyond? And, what your outlook is for the domestic Brazil market? And, if you think given the low GDP environment if you need to take capacity down further?

Claudia Sender - *LATAM Airlines Group S.A. - Domestic Brazil Operations*

Hi, this is Claudia Sender from Brazil. It was a little hard to understand the question. Would you mind repeating it? I'm sorry.

Savi Syth - *Raymond James - Analyst*

Sure. Just maybe -- is the double-digit growth in PRASK continuing in Brazil? And, then I'll follow up with another question.

Claudia Sender - *LATAM Airlines Group S.A. - Domestic Brazil Operations*

Yes, absolutely. We expect both our load factors and our passenger revenue per ASK to continue the same double-digits trend during the second quarter of this year. The second semester of last year was a lot stronger in load factor terms, since we started our strategy to change our strategy in the second semester of last year. Then, we expect to still have some growth, again, in the very close to the low double-digits. But, we expect to have a significant improvement versus last year throughout the year, as well.

Savi Syth - *Raymond James - Analyst*

And, the change in TAM's revenue strategy, you changed it to do more revenue management and increase the load factors. How have competitors responded and has there been a change in the response?

Claudia Sender - *LATAM Airlines Group S.A. - Domestic Brazil Operations*

Well, I think each competitor in Brazil has adopted a different strategy, and I think we're segmenting our markets in a much smarter way than we used to do in the past. Therefore, we've been able to increase the demand in the market without a significant capacity increase, which was the strategy in the past.

So, I think each competitor has been targeting very different strategies, and I think we've been efficient in the past, I would say, nine months to stimulate traffic without deteriorating the [RASK] numbers.

Savi Syth - *Raymond James - Analyst*

OK. Great. Thank you.

Operator

Duane Pfennigwerth, Evercore Partners.



Duane Pfennigwerth - *Evercore Partners - Analyst*

Hi. Thank you. Wanted to ask another Brazil question, specifically on your cargo operations. What do revenue trends for cargo look like if you exclude Brazil from the mix?

Unidentified Company Representative

First of all, it's important to comment regarding Brazilian markets that they have been very stable.

If we exclude Brazilian markets from the cargo mix, we see a positive trend starting since the beginning of this year. Basically, we saw -- we believe that the market touched bottom at the end of 2012, beginning on 2013. And, then, we have seen a steady growth on the cargo markets, especially the south-bound ones and mainly Brazil. And, this is a trend that we expect that will continue until the end of the year.

Duane Pfennigwerth - *Evercore Partners - Analyst*

Thank you for that. And, then, with respect to the weakness, or the relative weakness, in Brazil, what do you attribute that to? Is there any way to segment, is it more economic growth related or is it competitive pressures? Which would you attribute the weakness more to?

Unidentified Company Representative

I think it's a mix of both. Obviously, economic growth is affecting the import traffics to Brazil, but also the competitive intensity that we have seen since 2012 also is affecting our ability to capture traffics into this country.

Duane Pfennigwerth - *Evercore Partners - Analyst*

OK. So, on the import weakness specifically, have you see any change year to date in Brazil?

Unidentified Company Representative

Yes. As I commented earlier, we have seen a positive trend in the last two or three months, with traffic that are starting to grow but haven't still reached the levels of 2012.

Duane Pfennigwerth - *Evercore Partners - Analyst*

OK. I thought the comment was that overall that's true, or ex-Brazil that's true. But, you're seeing that same trend in import improvement within the Brazilian cargo market? And, I just want to say thanks for taking the questions.

Unidentified Company Representative

Yes, it's the import market.

Operator

Mike Linenberg, Deutsche Bank.

Mike Linenberg - Deutsche Bank Research - Analyst

Great. Good morning, everybody. I just want to go back to the unit RASK performance for the quarter. So, Brazil was running up double-digit. It looks like that International was weak, and then it looked like that the domestic markets for the Spanish-speaking countries did well. Can you put some numbers on that? Can you give us a feel for what those -- how much International is down and how much Spanish-speaking domestic was up? And, then I guess the other, the last region is the intra-Latin America flying, the flying between countries?

Jorge Vilches - LATAM Airlines Group S.A. - International Passenger Division

Hello. This is Jorge Vilches from the International business. Yes, the decrease in RASK that we're seeing in the first quarter is basically coming from our Brazil international operations, and that's basically because of the extra additional capacity that has been put in the Brazil-US market especially, not only TAM extra capacity -- we increased a lot to Miami and New York, with a new Boeing 777, the triple 7 -- but, also, American did the same thing, increasing a lot their capacity. And that, as you know, when we're talking about [60%] or 40% increase in capacity, the demand takes a while to react. It doesn't fill the planes so suddenly. So, that's basically where we see those declines.

What we see for the second quarter and the third quarter is an improving in RASK because of an improving in load factors and yields in these routes. So, this is getting much better from now on, and in LAN operations these increases in capacity has been much more concentrated in operations to Miami and New York. But, we're keeping that extra capacity with good RASK. So, it's basically TAM and (inaudible).

Mike Linenberg - Deutsche Bank Research - Analyst

OK. Just to follow up on that point, some of the Brazil international has been weaker. As we move into the latter part of the year, when you include the capacity cuts in some of the Brazil markets, like Rio to Europe, and the American Airlines codeshares comes into effect, is it possible that we will see unit revenue improvement in the international markets? Should we be anticipating --? All things being equal with the economy right now -- so, we don't see much change -- is it reasonable to assume that we could see international RASK into positive territory by the time we get into the third and fourth quarters?

Jorge Vilches - LATAM Airlines Group S.A. - International Passenger Division

Yes, definitely. Actually, we are taking actions that are taking us into that direction. The capacity reductions that we are endeavoring in the European routes from Rio, it's something that is going to give us good results, because some of that traffic we can continue transporting them through Sao Paulo, through our main hub. So, that's not going to be affected. That's definitely going to increase our RASK to Europe.

And, considering the US and the codeshare with American, this is definitely one of the key success factors that are going to drive the second semester of this year. Currently, we have a very small market share in our outlying markets in the US, because our partner in (technical difficulty) United doesn't have a hub in Miami. Now that we have our codeshare in place in the third quarter with American, we're going to be able to send passengers to the outlying markets that is a much bigger market than the one that we participate today in our gateways. So, this is definitely going to be key for the second semester in improving RASK in the routes to the US.

Mike Linenberg - Deutsche Bank Research - Analyst

OK. And, then just one last one, if I could squeeze in. When we think about some of these measures, and let's take for example the Rio to London Heathrow market. So, you have an A330 flying that three times a week nonstop now, and that's going to convert to a 767-300. It seems like there's a cost benefit and a revenue benefit. So, not only will it help your RASK, but I think putting the right airplane in there with the right configuration and given the size of your 767-300 fleet plus your freighters, it seems like that there's a real opportunity on the cost side. So, when I think about margin improvement, could we see -- I don't know -- 5, 10 points of operating margin, or EBIT, or pretax margin improvement by doing that swap? How should we think about that, as analysts?

Jorge Vilches - LATAM Airlines Group S.A. - International Passenger Division

Well, you're absolutely right. This is going to have definitely an improve in RASK and also an improve in cost per ASK, ex-fuel, definitely and [CASK] fuel. If we see the (technical difficulty) that we're going to fly to London, (technical difficulty) and if you compare with the other A330s, it goes up to 20% CASK increase -- (technical difficulty). So, this is definitely going to be key (technical difficulty).

(technical difficulty), and that's something that we didn't have in our previous planes. So, we're very confident that this is the type of product that our corporate markets need to the UK, and also we're going to capture this cost advantage.

Mike Linenberg - Deutsche Bank Research - Analyst

OK. Great. Thanks for answering my questions.

Jorge Vilches - LATAM Airlines Group S.A. - International Passenger Division

Thank you.

Operator

Eduardo Couto, Morgan Stanley.

Eduardo Couto - Morgan Stanley - Analyst

Hi. Good morning, guys. I have a question on operating margins. Despite the improvement year on year, the consolidated operating margins, they remain at the low single-digit level. I was just wondering if, is it because of Brazil? And, are you reporting operating losses in Brazil? Just to give us some color, because I think the Brazilian operations, they have lower margins. And, given the low single-digit for consolidated numbers, I was just wondering if Brazil's are still negative in terms of operating numbers.

Gisela Escobar - LATAM Airlines Group S.A. - IR Officer

Hi. This is Gisela. We as you know have not -- are not reporting our business unit results in detail for each of the different business units. So, I think what we can definitely say is that we're seeing a substantial improvement as we advance with all of the initiatives, both in the domestic Brazil and in the international operations. But, we can't provide much more detail regarding the actual profitability of each business unit (inaudible).

Eduardo Couto - Morgan Stanley - Analyst

But, Brazil's are still lower than the other regions, or not, Gisela?

Gisela Escobar - LATAM Airlines Group S.A. - IR Officer

[Well, than] the domestic Spanish-speaking countries which continue to operate in the same way that they had prior to the merger, yes. But, if you look at the International and the Cargo business units, for example, right now they're integrated. So, the International business unit is one business unit where the network includes the Brazilian operations, also includes the Lima hub, and all of the other -- it's being managed as one single network and as one (technical difficulty).



There are certain routes in Brazilian operations that are more profitable than others. There are certain routes in the operations in other parts of the network also that are more profitable than others.

And, regarding the domestic operation, as we've described, there is definitely a sequential improvement that we expect to continue for this year.

Eduardo Couto - *Morgan Stanley - Analyst*

OK. It's clear. And, just a final question also on the Brazilian strategy. The Company was raising load factors significantly, especially in the first quarter. But, on the April numbers, the load factor expansion was smaller, around 4 percentage points, compared to almost 10 that you are doing in the 1st Q. I was just wondering if there was any change in the load factor strategy in Brazil? Or, we should continue to see something more towards the high single-digit load factor expansion in the domestic Brazil market?

Claudia Sender - *LATAM Airlines Group S.A. - Domestic Brazil Operations*

As I mentioned before, our expectation is to keep growing the load factors numbers throughout the first semester. The second semester has a little less opportunities given that the second semester of last year was already a high load factor semester. Having said that, we still expect to have some more demand growth for that period. April was a month where we had a little softer market and a little softer market share in consequence of that. However, we do expect to get back to our very close to 80% load factor numbers going forward.

Eduardo Couto - *Morgan Stanley - Analyst*

OK. Very clear. Thank you.

Claudia Sender - *LATAM Airlines Group S.A. - Domestic Brazil Operations*

You're welcome.

Operator

Stephen Trent, Citi.

Stephen Trent - *Citi - Analyst*

Hi. Good morning, everybody. Two questions for me. The first one, when I think about the balance sheet and the potential to eventually recover your [predecessor's] investment grade rating, outside of the equity offering and better operating cash flow, are you also considering other things, other tools to potentially boost your credit rating, such as some strategy via Multiplus or maybe securitization of receivables? That's my first question.

Andres del Valle - *LATAM Airlines Group S.A. - Corporate Finance Department*

Hi, Stephen. Andres del Valle, here.

Stephen Trent - *Citi - Analyst*

Hi, Andres.



Andres del Valle - LATAM Airlines Group S.A. - Corporate Finance Department

No, nothing from Multiplus. [We have no needs, on that type of funds.] And, we are engaged in a future-flows receivable deal that we expect to go to market in early June. That of course should also boost the liquidity, coupled with the capital increase that has been announced for most likely Q3 this year. We should be seeing a very comfortable pile of cash towards the latter part of the year.

Stephen Trent - Citi - Analyst

Great. And, if I may, if I heard you correctly, you said next month there's going to be a receivables deal coming, and any color on, if you're allowed to say, what might be the size of it?

Andres del Valle - LATAM Airlines Group S.A. - Corporate Finance Department

Next June, early June. Thinking about size, roughly \$450 million, in that range.

Stephen Trent - Citi - Analyst

OK. Very helpful. And, just one other question. When I think about the cargo market, you guys did a nice job of highlighting what's been broadly going on in terms of underlying demand, but we've also seen the likes of FedEx undertaking some acquisitions in some of your markets. Are you seeing or concerned about any big competitive moves over the next couple of quarters? Or, maybe, competitors acting irrationally on the cargo side?

Edgardo Escobar - LATAM Airlines Group S.A. - Cargo Business

Hello. This is Edgardo Escobar, from the Cargo division. No, we don't see any big moves on our competitors, other than the same competitors increasing their intensity, especially out of Europe. European carriers have been trying to -- not only European, but also [meaning] from the Middle East, like Emirates, and there are also announcements from others like Qatar will be flying into Brazil, South America. So, more than changes in our competitors, it's intensity of the ones that we have seen in the past. Also, Tampa made a fleet change in terms of replacing their 767s with A330 freighters. But, other than that, no, we don't see any further changes.

And, regarding what you mentioned about FedEx, yes, they did buy a pretty large Brazilian domestic express operator called Rapidao Cometa, but I have to say to that that they are more customers of us, more than competitors. FedEx and the integrators even though they fly some segments with their own operations, their own freighters, they are more customers of us, cargo airlines, than competitors. They really move in a different niche, which is the express market, more than the general cargo. So, we see them more as our customers, more than competitors.

Stephen Trent - Citi - Analyst

OK. Very helpful. I'll leave it at that, and thanks for the time.

Edgardo Escobar - LATAM Airlines Group S.A. - Cargo Business

OK. Thank you.



Operator

Bianca Faiwichow, GBM.

Bianca Faiwichow - GBM - Analyst

Hi. Good morning. I just have very two quick questions. The first one is on timing for your capital increase. When should it take place, if of course it is approved in the shareholders meeting? And, the second question is, what's the percentage of wages and benefits, in real? Thank you.

Gisela Escobar - LATAM Airlines Group S.A. - IR Officer

Regarding the timing of the capital increase, we would target at this point definitely towards the end of the third quarter. We still obviously haven't had it approved at the shareholders meeting and haven't finalized the detailed schedule, but it would be around probably September, October this year.

Regarding the wages and benefits line, we have approximately 50% of the wages costs that are denominated in reais.

Bianca Faiwichow - GBM - Analyst

OK. Perfect. Thank you.

Operator

Brian Foster, CreditSights.

Brian Foster - CreditSights - Analyst

Hi. You guys have been talking about potentially moving the TAM fleet up to the LATAM Airlines Group for some time now. I was just curious, is there something in particular that's complicating that process?

Andres del Valle - LATAM Airlines Group S.A. - Corporate Finance Department

I think -- well, [it's that they done quite a lot of] detailed analysis. We think we're getting to the finishing line, and this [part] should be kicked off by maybe the next two months. But, nonetheless, that's a slow process. We're talking about 160 aircraft to be moved up to the level of LATAM. So, we will group them in different families. But, this is definitely something that we have going forward and commencing in this year.

Brian Foster - CreditSights - Analyst

And, just to confirm, the TAM debt is also going to move up with the fleet? Correct?

Andres del Valle - LATAM Airlines Group S.A. - Corporate Finance Department

TAM debt?



Brian Foster - *CreditSights - Analyst*

Yes.

Andres del Valle - *LATAM Airlines Group S.A. - Corporate Finance Department*

The TAM debt corresponding to the aircraft? Yes.

Brian Foster - *CreditSights - Analyst*

Yes. OK. All right. Thanks.

Operator

At this time, I'm showing we have no further questions. I would now like to turn the call back over to Mr. Alejandro de la Fuente for any closing remarks.

Alejandro de la Fuente - *LATAM Airlines Group S.A. - CFO*

Alejandro de la Fuente, here. Thank you again for joining us today. Please feel free to contact our Investor Relations department if you have any additional questions. We look forward to speaking with you again soon. Thank you very much, and goodbye.

Operator

Thank you. Ladies and gentlemen, that concludes today's conference call. Thank you for your participation. You may now disconnect. Have a great day.

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